

**TESTIMONY OF  
VINCENT G. CAPECE, JR.  
PRESIDENT AND CEO  
MIDDLESEX HEALTH  
SUBMITTED TO THE  
INSURANCE AND REAL ESTATE COMMITTEE  
FEBRUARY 21, 2023**

**HB 6620, An Act Promoting Competition In Contracts Between Health  
Carriers And Health Care Providers  
SB 983, An Act Limiting Anticompetitive Health Care Practices**

My name is Vincent G. Capece, Jr., and I am president and CEO at Middlesex Health. I am testifying in opposition to **HB 6620, An Act Promoting Competition In Contracts Between Health Carriers And Health Care Providers** and **SB 983, An Act Limiting Anticompetitive Health Care Practices**.

Middlesex Health is one of the few remaining independent health systems in Connecticut. Based in Middletown, Middlesex Health, a member of the Mayo Clinic Care Network, includes Middlesex Hospital, a non-for-profit magnet hospital with 275 beds, and two Middlesex Health Cancer Center locations. It also features three emergency departments and two urgent care centers, along with many other programs and services. Middlesex Health's network of primary care physicians, medical and surgical specialists and other employees work to meet the needs of the Middlesex County and Connecticut shoreline communities.

We make it our mission to provide the safest, highest-quality care and best experience possible.

HB 6620 and sections 1 and 2 of SB 983 ban certain contract clauses in commercial contracts.

Section 3 of SB 983 limits out-of-network commercial payer reimbursement for hospital services to 100% of Medicare.

In every discussion about making improvements to healthcare delivery and payment the issue of transparency is an integral part of the conversation. With respect to HB 6620 and sections 1 and 2 of SB 983 more transparency is needed in the provisions related to the "anti-tiering" provisions.

If the Committee takes action on these bills Middlesex Health requests the Committee add language that: (1) requires payers to be transparent with the standards that they adopt when slotting providers into tiers; (2) requires payers to notify providers of those changes 90 days prior to the changes being made, (3) requires payers to establish a process by which providers are able to contest the tiering decisions made by payers, and (4) requires the Department of Insurance to regularly audit payer compliance with those tiering standards and processes.

In addition, Middlesex Health requests the Committee add language to this bill to protect hospitals from health carriers' unilateral changes in contracts provisions by policy. Health carriers should not be able to unilaterally change terms of a contract by policy.

Regarding Section 3 of SB 983, it is a solution in search of a problem. In 2015, the Connecticut General Assembly took action to limit the medical bills fully-insured patients were receiving due to out-of-network care. In 2022, the federal No Surprises Act accomplished the same for patients enrolled in self-funded plans. SB 983 would upend an issue that Connecticut and the federal government have already successfully addressed.

**Unfortunately, the seeming intent of SB 983 is to favor national health insurance companies over Connecticut's community hospitals in commercial contract negotiations.**

The consequences of the out-of-network price cap in SB 983 would be financially devastating to Middlesex Health. **Were such a cap in place, and in-network rates pushed closer to Medicare payment rates, our organization would lose millions in reimbursement.** This loss of commercial revenue would be in addition to the millions in unreimbursed Medicare and Medicaid costs our organization absorbs each year.

The math doesn't work.

We cannot sustain the robust healthcare delivery system that our patients enjoy if we cannot cover our costs and are in the red on every line of business – commercial, Medicare, and Medicaid. The legislation would also make us less prepared to respond to another pandemic, a response that for the last three years has been dominated by a reliance on Connecticut's hospital and health systems.

This legislation is an unfortunate departure from the spirit of collaboration and cooperation that has been the hallmark of statewide discussions on how to address healthcare affordability. We support the cost growth benchmark as a means to

examine and address cost growth across multiple sectors of the healthcare system. It was only last year that the legislature codified the benchmark and this will be the first year of publicly reported data—we should let that process work.

**The out-of-network price caps would devastate our hospital and they should be opposed.**

Thank you for your consideration of our position.

For additional information, please contact me at 860-358-6150 or [vin.capece@midhosp.org](mailto:vin.capece@midhosp.org).